

TO: Distribution

DATE: June 15, 1998

FROM: Market Information/Bruce Neidle

SUBJECT: Weekly Shipment Performance w/e 6/12/98

Industry volume was comparable to last week at 9.8 billion units.

PM's weekly share of industry (51.0%) and discount SOC (27.7%) were higher than last week, while premium SOC (60.0%) was slightly lower. PM's Discount SOC was higher corresponding with Basic and Cambridge promotional volume.

RJR's weekly discount volume remained above average likely due to the Doral repackaging and upcoming retail promotion initiatives. B&W's weekly volume returned to their recent average, while their share was slightly lower. Lorillard's discount volume was slightly higher than normal possibly suggesting some promotional shipments. Liggett's weekly rate continued to be lower than their recent averages.

Discount category share for the week was 27.7%, up +0.2pp vs. last week.

PM-USA June Performance

		Volume			Share		
			ACTUAL			ACTUAL	
	W/E	PROJECTED	ACTUAL	VS. PROJ	PROJECTED	ACTUAL	VS. PROJ
	6/5/98	4,908	4,908	0	50.5%	50.5%	0.0pp
	6/12	4,708	4,978	270	50.8%	51.0%	0.2pp
	6/19	4,772			51.1%		
	6/26	4,751			51.0%		
(2 Days)	6/30	2,311			51.1%		
	MTD	9,616	9,886	270	50.6%	50.8%	0.2pp
	June	21,450			50.9%		
	2Q	57,160			48.5%		
	1H	111,676			49.4%		

All numbers are rounded.

Variance Explanation

w/e 6/12

PM's shipments for the week were above projection because of less than anticipated inventory depletion by non-McLane customers.

w/e 6/5

N/A

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